

UNITED STATES

The Federal Reserve cut interest rates on Wednesday, its first rate cut since December. The central bank seeks to balance a weakening labor market as tariffs continue to push prices up. Rates are now at a range of 4% to 4.25% – the lowest since November 2022. Lower interest rates in the US tend to weaken the USD which has already lost more than 10% vs leading currencies in 2025. This marks the worst USD performance in over 50 years. A weaker USD tends to be supportive of commodity prices. The New York times reported that US lawmakers plan to introduce a bill to exempt coffee imports from tariffs.

BRAZIL

Coffee flow has surged as the harvest approaches completion and prices become attractive enough for producers to sell proactively. Both exporters and cooperatives remain active buyers, marking one of the most active periods in recent months. Looking ahead, the flowering period is becoming the central topic with the potential of increased price volatility. If rains are timely and plentiful, and flowering is successful, we could experience a wave of selling pressure.

COLOMBIA

Coffee flow continues to move at a slow pace, even though stocks remains available. Current stocks come partly from inventories carried over from Mitaca, with exporters holding lighter stocks and producers in no rush to sell, combined with the very first pickings of the main crop. International demand is mostly focused on 2026 shipments with very little interest for the short term amidst extreme market volatility. Climatic conditions have been favorable for new crop flowerings expected in September and October.

MEXICO & CENTRAL AMERICA

The new crop outlook remains positive and perhaps even more importantly, harvesting is expected to start earlier than last year, perhaps as soon as November.

KENYA

Auction volumes remain stable, with consistent demand to meet short term shipping needs.

UGANDA

Local competition is fierce, partly because of price volatility and the ensuing speculation. Coffee flow is adequate, but quality has been mixed. Direct fresh cherry sourcing is paramount to ensure specialty grades while semi-washed and Drugars are allocated for commercial purposes.

INDIA

Coffee flow has been limited as farmers retain higher price expectations. Short term demands appear to be met, further reducing local transactions. The outlook for the 2025/26 crop is positive as climatic conditions are adequate with consistent evening showers enhancing fertilization plans.



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